

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 IO-13 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /126 W
-----084690 231217Z /75

R 230625Z MAY 78
FM AMEMBASSY MANILA
TO USMISSION GENEVA
INFO SECSTATE WASHDC 6117

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E.O.11652: N/A
TAGS: ETRD
SUBJECT: EC'S RULES OF ORIGIN

GENEVA FOR PHELAN FROM SMITH

REE: PHELAN/SMITH TELCONS

1. AS INDICATED EARLIER BOTH DURING BILATERAL CONSULTATIONS WITH EC TEXTILE REPS IN SAN FRANCISCO AND SUBSEQUENT TELCONS BETWEEN PHELAN AND SMITH, EC'S APPLICATION OF ITS RULES OF ORIGIN ON U.S. TEXTILE EXPORTS TO THE COMMUNITY IS HAVING A DEVASTATING EFFECT. U.S. FABRIC PRODUCERS HAVE APPROACHED USG TEXTILE OFFICIALS ON A NUMBER OF OCCASIONS DURING LAST TWO MONTHS CONCERNING THE UNFAVORABLE IMPACT OF THESE REGULATIONS ON THEIR EXPORTS TO THE EC/EFTA. DURING PAST 4 YEARS, U.S. HAS ENJOYED SURPLUS BALANCE OF TRADE IN YARN AND FABRIC AREA PRIMARILY BECAUSE OF ITS YARN AND FABRIC EXPORTS TO EC. HOWEVER, IN 1977 THE SURPLUS DIMINISHED MARKEDLY AND PRIMARY INDICATIONS ARE THAT IN 1978, WE WILL HAVE A NEGATIVE BALANCE

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OF TRADE IN YARNS AND FABRIC BECAUSE, INTER ALIA, WE ARE CONTAINED BY THE EC'S RIGID RULES OF APPLICATION. WE PLAN TO RAISE THIS MATTER FURTHER WITH EC COMMISSION IN MID-JUNE. IN THE INTERIM, IT WOULD BE HIGHLY USEFUL IF THE U.S. REP TO TSB COULD DO THE FOLLOWING:

A. INQUIRE OF OTHER MFA EXPORTERS TO THE EC MARKET TO

DETERMINE IF RULES OF ORIGIN HAVE AN NTB EFFECT ON THEIR
TRADE WITH EC.

B. INQUIRE OF JAPANESE TSB REP IF JAPAN YARN AND FABRIC
EXPORTS TO EC HAVE BEEN ADVERSELY AFFECTED.

C. INQUIRE OF EC TSB REP WHETHER OR NOT HE CONSIDERS THE
IMPLEMENTATION OF THESE RULES TO BE A RESTRAINT OF
TEXTILE TRADE JUSTIFIED UNDER THE TERMS OF THE MFA WITH
PARTICULAR REFERENCE TO ARTICLE 2, PARAGRAPH 1, 2, AND 3
AS WELL AS ARTICLE 3, PARAGRAPH 1 AND ARTICLE 9, PARAGRAPH
1. IF THE EC TSB REP DOES NOT CONSIDER THE IMPLEMENTATION
OF THESE RULES TO BE IN VIOLATION OF THE MFA, IT WOULD BE
MOST USEFUL TO HAVE HIS RATIONALE.

2. THE RULES OF ORIGIN MATTER IS BECOMING AN URGENT ONE
FOR USG TEXTILE OFFICIALS. UNLESS WE ARE ABLE TO OBTAIN
RELIEF FROM THESE MEASURES THE ABILITY OF THE U.S.
INDUSTRY TO ENHANCE ITS EXPORT POSITION WILL BE SERIOUSLY
COMPROMISED. IN ADDITION, WE CAN ANTICIPATE INCREASING
PRESSURE FROM THE TEXTILE INDUSTRY, ESPECIALLY THE MILL
SECTOR, TO OPPOSE ANY TARIFF REDUCTIONS UNTIL THIS
PARTICULARLY ONEROUS NTB IS REMOVED. AN EARLY TELEGRAPHIC
REPORT AND ASSESSMENT ON THIS FROM THE US REP TO THE TSB
WOULD BE APPRECIATED. PLEASE REPEAT REPLY TO AMEMBASSY
BANGKOK FOR USTEXDEL.TOUSSAINT
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RULES, TEXTILES, EXPORT CONTROLS
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Copy: SINGLE
Draft Date: 23 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Subject: EC/S RULES OF ORIGIN GENEVA FOR PHELAN FROM SMITH REE: PHELAN/SMITH TELCONS
TAGS: ETRD, US
To: GENEVA
Type: TE
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